



12 October 2023

Committee Secretary
Senate Finance and Public Administration Legislation Committee
Parliament of Australia

Dear Committee Secretary

On 15 May 2023 I wrote to the Committee providing information about Australian National Audit Office (ANAO) audits, other reports tabled and background information on our audit products. This letter is to provide the Committee an update on reports tabled since 15 May 2023 to date.

The purpose of the ANAO is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance. The ANAO seeks to achieve this outcome through delivery of its programs of audit services as outlined in the Portfolio Budget Statements 2023–24.

The [ANAO's Senate Estimates Committee Support website section](#) displays summaries of all audits tabled during the period and can be filtered to access audit report summary information relevant to the Committee's allocated portfolios. This provides Committee members and secretariat staff direct and real time access to audit report summary information relevant to the Committee. The audit summaries are optimised for printing to PDF.

[Performance statements audit reports relevant to the Committee](#)

The purpose of the performance statements audit program, and its related audits, is to drive improvement in the quality of entities' performance reporting to the Parliament and the public, against the requirements of the Commonwealth reporting framework. This information should assist the committee in its lines of inquiry on whether Commonwealth entities are delivering value for money for the outcomes for which they are funded.

Following a [request](#) from the Minister for Finance in January 2023, the ANAO conducted a performance statement audit of ten entities in 2022-23. There are no performance statements audits relevant to the Committee for 2022–23.

The ANAO also presents an End of Year report to Parliament summarising the outcomes of performance statements audits, including opportunities to improve the quality of Commonwealth entities' performance reporting to the Parliament. The Audits of the Annual Performance Statements of Australian Government Entities 2022–23 is due to table in December 2023.

[Performance audit reports relevant to the Committee](#)

Performance audit reports identify areas where improvements can be made to aspects of public administration and make specific recommendations to assist public sector entities to improve performance. This can include an assessment of whether the audited entity executes its activities in accordance with the requirement to promote proper use of public money – that is the use or management of public money was efficient, effective economical and ethical; and is in compliance

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with policy frameworks. The ANAO performance audit reports tabled from 15 May 2023 relevant to the Committee:

- Auditor-General Report No.25 (2022–23) [Governance of the Tiwi Land Council](#)
- Auditor-General Report No.27 (2022–23) [National Indigenous Australians Agency's Management of Provider Fraud and Non-compliance](#)
- Auditor-General Report No.29 (2022–23) [Governance of the Anindilyakwa Land Council](#)
- Auditor-General Report No.35 (2022–23) [Governance of the Central Land Council](#)
- Auditor-General Report No.44 (2022–23) [Management of Information Assets](#)
- Auditor-General Report No.1 (2023–24) [Governance of the Northern Land Council](#)

Financial statements audit reports

The ANAO's financial statements audits examine the financial accounting and reporting of Australian Government entities and provide independent assurance that financial statements have been prepared in accordance with the Government's financial reporting framework and Australian Accounting Standards. The ANAO's audit opinions are provided to Ministers and included in entity annual reports which are tabled in the Parliament.

In addition, the ANAO's presents reports to Parliament summarising its audits of financial statements twice a year. Auditor-General Report No.26 (2022–23) [Interim Report on Key Financial Controls of Major Entities](#) tabled on 25 May 2023. This report examined 27 entities, including all departments of state and a number of other major Australian government entities covering an assessment of entities' key internal controls, supporting the 2022–23 financial statements audits.

In respect of the Finance, Prime Minister and Cabinet and Parliamentary portfolios at the competition of interim audits for entities in the portfolio included in this Report, the key elements of internal control were operating effectively to support the preparation of financial statements that are free from material misstatement, except for particular findings. These findings are those which pose a significant or moderate business or financial management risk to each entity. The following audit findings are unresolved at 30 April 2023 and will be considered in the ANAO's final audit of the 2022–23 financial statements following remedial action by each entity:

- Anindilyakwa Land Council: Financial statements preparation (moderate) [Paragraphs 4.20.15 – 3.12.18]; and
- Department of Finance: User Terminations (moderate) [Paragraphs 3.9.12 – 3.9.13].

In addition to the matters specific to the entities above, the report also contains analysis of entity internal controls and the ANAO's audit findings, machinery of government changes and safeguarding financial information from cyber threats, which are summarised in the [Executive Summary](#).

The ANAO also presents an End of Year report to Parliament which complements the *Interim Report on Key Financial Controls of Major Entities* financial statement audit report. It will provide a summary of the final results of the audits of the Consolidated Financial Statements for the Australian Government and the financial statements of Australian Government entities for the period ending 30 June 2023. The report is due to be tabled in December 2023.

During 2022–23 the Joint Committee of Public Accounts and Audit held an inquiry into the Commonwealth Financial Statements 2021–22 and issued Report 497 in June 2023 that considered, amongst other matters Defence's use of appropriations. The JCPAA concurred with the ANAO concerns raised during the inquiry relating to the Department of Defence using non-operating funding available from *Appropriation Act (No. 2) 2020–21* for the termination payment in relation to the cancelled Attack Class submarine project. The report includes a recommendation that the Minister for Finance review the matter and accept the Committee's conclusion that the payment of compensation

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to terminate the Attack Class submarine project from appropriations provided for non-operating expenses should not have occurred and was against the spirit, if not the letter, of the Appropriations Acts.

Appearances and briefings

It is open to the Committee to invite the Auditor-General and representatives to appear before the Committee at estimate hearings or to attend private briefings to provide comment and insight into matters relevant to Auditor-General reports. The information about ANAO reports tabled since 15 May 2023 to date is intended to assist the Committee to prepare for October 2023–24 Supplementary Budget Estimates hearing.

In order for the ANAO to provide witnesses with the relevant audit expertise and best assist the Committee with its enquiries, the ANAO would appreciate the Committee's advice on which audits may be the subject of examination during estimate hearings prior to the ANAO's appearance.

If you have any queries in relation to the audits, would like to arrange a briefing, or require any other assistance from the ANAO, please contact External Relations by email external.relations@anao.gov.au.

We are comfortable with circulating this correspondence to Committee members.

Yours sincerely

Carla Jago
Acting Deputy Auditor-General